

MEETING NO. 4226
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD **WEDNESDAY, JANUARY 23, 2019**

10:00 A.M.

RETIREMENT SYSTEMS CONFERENCE ROOM
ALLOY CENTER, 500 WOODWARD AVENUE; SUITE 3000
DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

Wendell Anthony	Trustee
Scott Benson	Ex-Officio Trustee/City Council Member
Tasha L. Cowan	Trustee
Christa Mclellan	Ex-Officio Trustee/City Treasurer
John Naglick	Ex-Officio Trustee/Finance Director
June Nickleberry	Trustee/Chairperson
Crystal Perkins	Trustee
Thomas Sheehan	Trustee

TRUSTEES EXCUSED

Lori Cetlinski	Trustee/ Vice- Chairperson
Kimberly Hall-Wagner	Trustee

TRUSTEES ABSENT

None

ALSO PRESENT

David Cetlinski	Executive Director
Gail A. Oxendine	Assistant Executive Director
Ryan Bigelow	Chief Investment Officer
Michael VanOverbeke	General Counsel
TaKneisha Johnson	Administrative Assistant IV

STAFF EXCUSED

None

CHAIRPERSON

June Nickleberry

The Board's Administrative Assistant took a verbal Roll Call at 10:17 a.m. and Chairperson Nickleberry called the meeting to order.

Present at Roll Call: Tasha L. Cowan, Christa McLellan, John Naglick, Crystal Perkins and Thomas Sheehan

PRESENTATION:

Gabriel, Roeder, Smith and Company

Representatives Kenneth G. Alberts and Jamaal Adora discussed the following with the Board:

- Annuity Savings Fund Recoupment Discussion
 - Calculations will come back before the Board at the 2/6/2019 meeting. Staff has been directed to send correspondence to effected members and advise them that no actions will be taken at this time.

➤ ***Trustee Wendell Anthony entered the Boardroom at 11:14 a.m.***

Open Forum

Chairperson Nickleberry opened the meeting for public discussion:

Retiree Michael McElgunn addressed the Board regarding the following:

- Annuity Recoupment

Retiree Richard Drumb addressed the Board regarding the following:

- Annuity Recoupment

Retiree and President of Detroit Active and Retired Employee Association (DAREA) William Davis addressed the Board with the following questions:

- What is the current rate of return?
 - 6.5%
- What is the balance of the Retiree Protection Fund?
 - \$105,000,000.00
- What is the number of retirees that have passed since 2014, and that have passed and paid the Annuity Savings Fund claw back amounts?

Re: Legacy Plan Service Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Anthony

RESOLVED, that the application(s) for retirement from the **COMPONENT II (LEGACY) PLAN** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Fred Chuney, Jr. – TEO - Transportation
SERVICE CREDIT	13-11
EFFECTIVE DATE	02-20-19
NAME, TITLE, DEPARTMENT	William C. Hodges – Laborer A – General Services
SERVICE CREDIT	20-09
EFFECTIVE DATE	01-10-19
NAME, TITLE, DEPARTMENT	Jacquelyn Houston – Street Maint Helper - DPW
SERVICE CREDIT	16-01
EFFECTIVE DATE	01-07-19
NAME, TITLE, DEPARTMENT	Imani R. Kenyatte – Senior Legal Sec - Law
SERVICE CREDIT	26-00
EFFECTIVE DATE	12-29-18
NAME, TITLE, DEPARTMENT	Douglas E. Keys – Field Svcs Techn – Water & Sewerage
SERVICE CREDIT	14-02
EFFECTIVE DATE	11-27-18
NAME, TITLE, DEPARTMENT	Roderick C. Knight – Paramedic – Fire (Civilian)
SERVICE CREDIT	20-07
EFFECTIVE DATE	01-15-19
NAME, TITLE, DEPARTMENT	Garry V. Summers – Parking Meter Repair Worker – Municipal Parking
SERVICE CREDIT	24-01
EFFECTIVE DATE	12-21-18

Yea: Anthony, Cowan, Mclellan, Naglick, Perkins, Sheehan and Chairperson Nickleberry – 7

Nay: None

Re: Legacy Plan Vested Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Anthony

RESOLVED, that the application(s) for **VESTED RETIREMENT** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Regina D. Ager – Vehicle Operator I - DPW
SERVICE CREDIT	13-09
EFFECTIVE DATE	01-01-19
NAME, TITLE, DEPARTMENT	Vijay Mahendra – Chemist – Water & Sewerage
SERVICE CREDIT	19-06
EFFECTIVE DATE	01-01-19
NAME, TITLE, DEPARTMENT	Regina A. Morgan – Building Attendant A – Water & Sewerage
SERVICE CREDIT	15-01
EFFECTIVE DATE	01-01-19
NAME, TITLE, DEPARTMENT	Derek Stones – Auto Repair Foreman – Water & Sewerage
SERVICE CREDIT	25-06
EFFECTIVE DATE	01-01-19
NAME, TITLE, DEPARTMENT	Melvina Thompson – Plumber – Water & Sewerage
SERVICE CREDIT	10-05
EFFECTIVE DATE	12-01-18

Yea: Anthony, Cowan, Mclellan, Naglick, Perkins, Sheehan and Chairperson Nickleberry – 7

Nay: None

RECEIPTS: The Board received the following receipts for Acknowledgment:

Cash Receipts
RSCD-General

HYBLIQRES
Start Date: 1/7/2019
End Date: 1/22/2019

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
1/4/2019	CA	Cash Entry	001394	Pretax Pension Contributions 1-4-19	R/C	263,111.60
1/4/2019	CA	Cash Entry	001395	Post Tax Annuity Contributions 1-4-19	R/C	155,747.61
1/11/2019	CA	Cash Entry	001396	Pretax Pension Contributions 1-11-19	R/C	107,875.81
1/11/2019	CA	Cash Entry	001397	Post tax Annuity Contributions 1-11-19	R/C	79,819.09
						<u>606,554.11</u>

Cash Receipts
RSCD-General

LIQ RESERV
Start Date: 1/7/2019
End Date: 1/22/2019

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
12/28/2018	CA	Cash Entry	001392	Loan Deduction Program 12-21-18(\$31,254.01)	R/C	31,254.01
1/10/2019	CA	Cash Entry	001398	Loan Deduction Program 12-27-18(\$37,927.20)	R/C	37,927.20
						<u>69,181.21</u>

Total Receipts 675,735.32

GENERAL RETIREMENT SYSTEM
CITY OF DETROIT
Re: Fees and Expenses

MEETING NO. 4226
JANUARY 23, 2019

Resolution Moved By: Trustee Cowan- Supported By: Trustee Anthony

WHEREAS, the Board has been presented with the List of Disbursements for Board Approval which is referenced below requesting payment for Fees and Expenses, and

WHEREAS, the Board has been requested to approve payment of said Fees and Expenses;
THEREFORE BE IT

RESOLVED, that subject to staff audit and approval of all Legal Fees by the Board's General Counsel, the Board **APPROVE** payment of the following Fees and Expenses:

Page: 1 of 2
Date: 1/22/2019 8:08 AM

Account	Payment Method	Currency	
HUNT - VEN	ACH	US	
Disbursements			
Vendor Name	Invoice Number	Invoice Description	Amount To Pay
500 WEBWARD LLC	72139	Lamp Replacements	26.40
Cogent Communications, Inc.	010119	Internet Service	1,023.00
NORTHPOINTE CAPITAL, LLC	4Q18	Management Fees 4th Qtr '18	32,379.11
Premier Parking	178364	Parking - February 2019	2,112.00
PROCENTIA, INC	2303	Procentia Implementation	34,256.25
THE TOWNSEND GROUP	CA-US201-0000000064	Professional Services - November 2018	9,562.50
UHY Advisors MI, Inc.	1277800	Professional IT Services for December 2018	7,425.00
UHY Advisors MI, Inc.	1277804	Professional IT Services for December 2018	61,350.00
Bridgett Hardy	123118BH	IT Contractual Wages - December 2018	4,668.01
James R. Hollins	123118JH	IT Contractual Wages - December 2018	4,079.74
Raymond R. Tchou	123118RT	IT Contractual Wages - December 2018	8,658.39
Venkat Rallapalli / Highbrow Systems, Inc.	123118VR	IT Contractual Wages - December 2018	6,480.61
Cash Account/Payment Method Total:		12 Documents	172,021.01
HUNT - VEN	CHECK	US	
Vendor Name	Invoice Number	Invoice Description	Amount To Pay
CINTAS CORPORATION	1900373508	Carpet Cleaning	1,022.51
CINTAS CORPORATION	300418676	Floor Mats	110.01
CRAIN'S DETROIT BUSINESS	011519DC	Crain's Detroit Classic Member Subscription	19.50
CREATIVE BREAKTHROUGHS INC	INV1023	Software Maintenance	8,275.00
First CHOICE Coffee Services	593196	Coffee Supplies	153.23
GABRIEL, ROEDER, SMITH & CO	443901	Actuarial Services for Dec 2018 & ASF Recoup. Calc	20,200.00
IRON MOUNTAIN	158735	Data Domain Service	1,903.40
IRON MOUNTAIN	201787007	Storage CDs	714.22
Iron Mountain Records Management	AKJX205	Records Storage	1,733.54
QUILL CORPORATION	3922144	Office Supplies	252.71
QUILL CORPORATION	3959377	Office Supplies	17.98
QUILL CORPORATION	4006347	Office Supplies	12.70
HUNT - VEN	CHECK	US	
Vendor Name	Invoice Number	Invoice Description	Amount To Pay
RACINE & ASSOCIATES	12438	DGRS v. Capozzoli - December 2018	3,628.70
THOMAS SHEEHAN	123118	Trustee Stipend	866.67
WELLS FARGO VENDOR FINANCIAL SVCS, LLC	101538122	Printer Maintenance	129.10
WENDELL ANTHONY	123118	Trustee Stipend	866.67
XEROX	095566048	Printer Maintenance	41.29
Cash Account/Payment Method Total:		17 Documents	39,947.23

* Payment amount is estimated based on the effective date 1/22/2019

Yea: Anthony, Cowan, Mclellan, Naglick, Perkins, Sheehan and Chairperson Nickleberry– 7

Nays: None

- **Trustee Wendell Anthony excused himself from the Boardroom at 12:07 p.m.**

Re: Refunds of Accumulated Contributions

Resolution Moved By: Trustee Sheehan- Supported By: Trustee Cowan

RESOLVED, that the contributions to the Annuity Savings Fund by members of the General Retirement System, as set forth:

List No. 7396 - \$393,080.18

List No. 7397 - \$43,454.68

Including interest, be **REFUNDED**, pending audit by the Retirement Systems' Accounting Staff.

Yea: Cowan, Mclellan, Naglick, Perkins, Sheehan and Chairperson Nickleberry– 6

Nay: None

Re: Employee Loan Program January 16, 2019

Resolution Moved By: Trustee Sheehan- Supported By: Trustee Cowan

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$32,912.00.00** including interest, be hereby **APPROVED**.

Yea: Cowan, Mclellan, Naglick, Perkins, Sheehan and Chairperson Nickleberry– 6

Nay: None

Re: Employee Loan Program January 23, 2019

Resolution Moved By: Trustee Sheehan- Supported By: Trustee Cowan

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$26,917.00.00** including interest, be hereby **APPROVED**.

Yea: Cowan, Mclellan, Naglick, Perkins, Sheehan and Chairperson Nickleberry– 6

Nay: None

Re: Minutes/Journal No. 4224 – (12/19/18)

Resolution Moved By: Trustee Sheehan- Supported By: Trustee Perkins

RESOLVED, that the Minutes/Journal of Proceedings of the General Retirement System of the City of Detroit, of Meeting **No. 4224**, held on **December 19, 2018**, be hereby **APPROVED** as recorded and submitted.

Yea: Cowan, Mclellan, Naglick, Perkins, Sheehan and Chairperson Nickleberry– 6

Nay: None

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

Assistant Executive Director, **Gail A. Oxendine**, addressed the following with the Board of Trustees:

- Medical Review Panel recommendations
 - The Medical Review Committee met and opined on the following re-examinations: Lisa Starke and John Nelson Brown Jr.

Re: Annual Re-examinations

Motion By: Trustee Sheehan – Supported By: Trustee Perkins

RESOLVED, that in accordance with the recommendation of the Medical Director, the following be CONTINUED on the Disability/Non-Duty Disability Retirement Payroll with a **re-examination in one year**:

Lisa Starke

RESOLVED, that in accordance with the recommendation of the Medical Director, the following be CONTINUED on the Disability/Non-Duty Disability Retirement Payroll with **no further exams necessary**:

John Nelson Brown Jr.

Yea: Cowan, Mclellan, Naglick, Perkins, Sheehan and Chairperson Nickleberry– 6

Nay: None

➤ ***Trustee Wendell Anthony returned to the Boardroom at 12:12 p.m.***

EXECUTIVE DIRECTOR'S REPORT

Executive Director, **David Cetlinski**, addressed the following with the Board of Trustees:

- UHY Accounting Staff are completely separated from the Retirement Systems and all Accounting is now being processed solely by Retirement Systems Accounting Staff
- RSCD Employee Brie Fort is currently serving as the Interim Deputy Accounting Officer.

CHIEF INVESTMENT OFFICER'S REPORT

Chief Investment Officer **Ryan Bigelow** discussed the following matters with the Board:

- Lou Vogt will come before the Board to provide a Fort Shelby update; date forthcoming
 - ARA/Trumbull Properties update
 - Education Initiative update
 - Employee Benefit Plan asset allocation is underway
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- 
- Kathleen Colin, President of Detroit NASP (National Association of Securities Professionals) invited the Board to the 30
- th
- Annual NASP Conference scheduled for Sunday, June 23 through Wednesday, June 26
- th
- , 2019 in Baltimore, Maryland.

GENERAL COUNSEL'S REPORT

General Counsel Michael VanOverbeke, in addition to his legal report, discussed the following matters with the Board:

- Valerie Hillyer update
- Fundmap FOIA Rquest
- General Counsel provided the following Domestic Relations Orders (DROS)/Eligible Domestic Relations Orders (EDROS) for review and approval:
 - Schrese Palm v. Cornelius Palm
- Hubert W. Draw Jr. v General Retirement System of the City of Detroit Wayne County Circuit Court Case No. 18-10257-CZ update
- Chenelle Wright v Charles E. Lewis Jr. et al Wayne County Circuit Court Case No. 17-013871-CK-CZ update
- Implementation of ASF Recoupment Cash Option Election
- Draft correspondence to City of Detroit Corporation Counsel Charles Raimi regarding the Annuity Savings Fund Recoupment
- Correspondence to State Treasurer

➤ ***Trustee Scott Benson entered the Boardroom at 12:18 p.m.***

Re: Schrese Palm v. Cornelius Palm
Wayne County Circuit Court Case No. 13-102603-DO

Resolution Moved By: Trustee Sheehan - Supported By: Trustee Anthony

WHEREAS, the Board of Trustees is in receipt of an Amended Eligible Domestic Relations Order ("EDRO"), dated December 28, 2018, wherein Schrese Palm, the Alternate Payee, is awarded certain rights to the retirement allowance of Cornelius Palm, the Participant, and

WHEREAS, the Retirement System consists of both a defined benefit plan and a defined contribution (a/k/a the Annuity Savings Fund) plan, and

WHEREAS, pursuant to the EDRO, the Alternate Payee is entitled to 100% of the marital portion of the Participant's defined benefit plan benefits payable from the Retirement System, and

WHEREAS, the payments from the plan to the Alternate Payee shall begin as soon as administratively feasible as the Alternate Payee has already elected to commence her share of the Participant's benefits under a previously entered Order and elected a single life annuity payable over her own life as her form of benefit, and accordingly Section 7 of the Amended EDRO is inapplicable, and

WHEREAS, the Board's policy is to require that the cost for the actuary's calculations are to be borne by the parties to the domestic relations proceedings and the parties' EDRO provides that the parties are to share responsibility for any and all additional costs for actuarial services, and that the Alternate Payee's share of such costs shall be in proportion to her share of the Participant's retirement benefit awarded to her under the EDRO (i.e. 100% of the additional costs), and

WHEREAS, said matter had been discussed with legal counsel who has opined that the applicable terms of said court order are consistent with the provisions of the Retirement System and applicable law including Public Act 46 of 1991 (MCLA 38.1701) as amended, therefore be it

RESOLVED, that the Board acknowledges receipt of said court order, will pay pension benefits consistent with said order as soon as administratively feasible, and further

Re: Schreese Palm v. Cornelius Palm
Wayne County Circuit Court Case No. 13-102603-DO

RESOLVED, that a copy of this resolution be immediately attached as the top sheet of the pension file and other appropriate records be kept for the Retirement System relative to this matter, and further

RESOLVED, that copies of this resolution be sent to Cornelius Palm, the Participant; Schreese Palm, the Alternate Payee; David Caplan, Esq., attorney for the Alternate Payee; and the Board's Actuary.

Yea: Anthony, Cowan, Mclellan, Naglick, Perkins, Sheehan and Chairperson Nickleberry – 7

Nay: None

NEW BUSINESS/OLD BUSINESS

- Happy Birthday Trustee Naglick!

ADJOURNMENT

Trustee Sheehan moved to adjourn meeting #4226; Trustee McLellan supported.

There being no further business before the Board, **Chairperson Nickleberry** adjourned the meeting at 12:30 p.m. The Board's next meeting is scheduled for **Wednesday, February 6th, 2019**, at 10:00 a.m. in the Retirement System's Conference Room; 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



GAIL A. OXENDINE, ASSISTANT EXECUTIVE DIRECTOR